

Assisted Living Financial and Statistical Report Instructions

Schedule A, B, C, D, and E are to be prepared by each provider from the provider's historical records, using the accrual system of accounting. Please use your agency's most recent fiscal year as your reporting period. The Attestations page must be completed and signed by the agency director. Please return originals only.

All expenses and revenue reflected on these forms must be supported by the provider's profit / loss statement or trial balance. Adjusting journal entries must be supported by worksheets or an explanation, which reasonably justifies the entry. The profit/loss statements, trial balance all records and worksheets used in preparing the reports must be submitted with the cost report.

A new agency or an existing agency that has been in operation for six months or less should submit a projected annual budget. An agency that has been in operation for more than six months but less than one year, should report historical data in the longest timeframe feasible, along with a projected annual budget.

The Financial and Statistical report is not complete until all required schedules are complete and correct and all inquiries to the provider are satisfactorily resolved. All incomplete or incorrect reports will be returned to the provider for correction.

SCHEDULE A CHART OF ACCOUNTS FOR EXPENDITURE ITEMS

All costs reported on Schedule A are to be gross costs and rounded to the nearest dollar. Example: if a facility's telephone bills totaled \$3,500 for the year, and they were reimbursed by residents, employees, guests, and others for long distance calls for \$220, \$3,500 should be shown in the Total Cost Column Acct. The \$220 received as telephone reimbursement would be adjusted out on Schedule A of the Cost Report as a non-allowable cost. If your accounting records reflect net costs in the expense accounts, only the net cost would be entered on Schedule A and the amount reimbursed would not be shown.

Total depreciation costs should be shown in the Total Costs Column, and the unallowable portions should be shown in the Program Related Adjustments.

Providers who are multiple program agencies should submit the cost apportionment Schedule A prepared in accordance with approved methods and procedures for a fair presentation of expenses attributable to assisted living services provided. If you have costs associated with programs other than assisted living that can be charged directly to those programs those costs should be shown in both the Total Cost column and the Other Programs Costs column, on Schedule A. Costs that can be fairly allocated to different programs, by use of square footage, time studies, or other approved methods should be allocated on the cost report. A narrative must be attached showing the allocation methods used for allocating costs to excluded programs.

The account numbers for expenditures are not intended to be all-inclusive in detailing expenses of an agency. However, there is flexibility available to provide all required detailed information. The numbering system used in the chart of accounts is not important other than to have a basis of identifying object expenses in a manner that is uniform for reporting purposes. All expense information reported in the total costs column should come from the facilities profit and loss statement or trial balance and be classified into the expense accounts listed below. **Please attach a copy of your profit and loss statement or trial balance and any support for Non-allowable, Other Programs adjustments and administrative expense.**

Total Cost Column: Cost reported in this column are the agencies total costs and should be supported by the agencies profit and loss statement or trial balance.

Non-Allowable adjustment Column: Costs that are non-allowable for reimbursement should be reported in the non-allowable cost column.

Examples of Non-Allowable Cost for Reimbursement include:

- Income Tax
- Promotional and advertising expenses are not allowed except for recruiting of employees
- Travel and entertainment other than for professional meetings and direct operation and maintenance
- Donations
- Bad debts, charity, and courtesy allowances
- Prior year costs
- Costs of legal fees, accounting and consultant services or other related costs incurred in connection with hearings, arbitration, or judicial proceedings pertaining to reimbursement rates. However, such costs are allowable when an agency's request for reimbursement rate adjustment constitutes a valid claim.
- Acquisition cost, including legal fees, brokerage fees or commissions, accounting, administration, travel, and feasibility studies. This applies whether the costs are incurred as the result of the purchase or lease of an agency.
- Any cost of a sublease that exceeds the costs of the lease between the owner and the first lessee of the current lease.
- Any penalty of fee assessed by a government agency for tardy reporting, nonpayment of any other fee, or any other fee which could have been avoided.

Other Program Costs: Costs that can be fairly allocated to different programs, by using square footage, time studies, or other approved methods should be allocated. If you have costs associated with programs other than assisted living that can be charged directly to those programs, then those costs should be reported in both the Total Cost column, and Other Program column.

A narrative must be attached showing the allocation methods used for allocating indirect costs not associated with Assisted Living Care.

Total Allocated Administrative Costs: This column is used identify Central Office and or Corporate administrative costs which are allocated to the Assisted Living facility. The costs should be allocated based on a sound statistical method, which can be auditable. Some allocation methods include a basis of total number of bed days, total accumulated costs, and square footages.

Total Assisted Living Program Costs: This column is used to report total assisted living costs minus Non-allowable and Other Program adjustments, plus Allocated Assisted Living Administrative costs.

2100 PERSONNEL SALARIES

The 2100 series of accounts is for recording all salaries and wages earned by an agency's regular employees (full or part time) and temporary employees. Payments to persons employed on a fee for services, such as lawyers and auditors should not be reported here but under account 2500.

2110 Administrative, Clerical & Maintenance Staff

Report the salaries of:

- Executive Director
- Finance Director
- Program Coordinator
- Program Manager
- Branch Director
- Office Manager
- Clerical Staff
- Maintenance Staff

*Note: Program Coordinator/Branch Director would be included in the administrative staff if that individual were over several supervisors/managers of different programs in a multi-purpose agency.

Clerical Staff includes salaries of Secretary / Office Assistant / Bookkeeper / Billing Clerk.
Maintenance Staff includes salaries of the Custodian / Maintenance Person.

2120 Direct Staff

Report the salaries of:

- RN / LPN
- Direct Care Aides / Medication Aides
- Cook / Dietitian / Dietary Aide
- Activities Director / Activities Assistant
- Housekeeping Supervisor / Janitor / Housekeeper
- Any other program staff that may not be listed above.

2200 and 2300 PERSONNEL BENEFITS AND TAXES

The 2200 & 2300 series of accounts is for the accumulation paid and accrued by an agency under its own or other employee health and retirement benefits plans, including voluntary employee termination or retirement payments outside a formal plan. This is not to include employee contributions or payments.

2210 Health Benefit Plans

Includes the cost of hospitalizations and other health insurance coverage for agency staff.

2220 Retirement Plans

Includes the costs of the Retirement Annuity Plan or other approved private retirement plan is to be reported under this account number.

2280 Vacation/Paid Personal Leave

The cost of vacation and paid personal leave the agency provides the employees.

2290 Other Benefits

The cost of any other agency employee benefits, which cannot be reported under accounts 2210 and 2220, are to be reported here such as group life insurance premiums, Long Term Care Insurance, disability, AFLAC, etc.

2310 FICA

Record FICA tax expense of the agency in this account.

2320 Unemployment Insurance

Record the State and Federal Unemployment Insurance payable by employers under State and Federal law.

2350 Worker's Compensation Insurance

Workmen's Compensation Insurance premiums payable by the employers.

2500 PROFESSIONAL FEES AND CONTRACT SERVICES

This account includes the accumulation of fees and expenses of professional practitioners and consultants who are not employees of the agency and are engaged as independent contractors for specified services on a fee or other individual contract basis. Items included are:

- **Auditing and Accounting Fees**
Fees paid for auditing the agencies books and fees paid for bookkeeping or accounting services. Salaries for regular bookkeeping services should be reported in account 2120 if the bookkeeper is on the agency staff.
- **Legal Services**
Fees paid to attorneys by the agency for legal services for the agency itself. Costs of notices in legal publications.
- **Maintenance/Professional Services**
Fees paid by the agency to contractors for services rendered to maintain the agency or other costs of other services purchased on a fee-for-service basis.
- **Other Professional Fees and Contract Fees**
Any other fees paid by your organization that may not have been listed above.

***Note: Allowable Cost Allocation Methods for Professional Fees and Contract Services would include Time Studies, Accumulated Costs, Analysis of expenditures and Contracts.**

2600 SUPPLIES

The cost of supplies could include the following items.

- **Office Supplies**
 - Consumable office supplies used in carrying out individual client programs.
- **Medical Supplies**
 - Agency stock items used for residents such as band-aids or other dressing changes items, alcohol swabs, etc.
- **Dietary Supplies**
- **Food**
- **Housekeeping Supplies**
- **Laundry Supplies.**
- **Maintenance Supplies**
- **Activities Supplies**
- **Other Supplies/Minor Equipment Purchases.**

3100 OCCUPANCY (BUILDINGS)

The 3100 series of accounts should be allocated by a space utilization formula if the provider is a multiple program agency. Square footage by program should be developed so a fair distribution of all occupancy expense can be distributed.

3110 Rent or Lease Space

Enter all rent paid for land, buildings, and office space used in the operation of the agency. This would also include any allocated costs of space for the agency.

3120 Building Repairs/Maintenance

Report the costs associated with building repairs and maintenance for your agency. Any building repairs and/or maintenance that exceed \$5,000 must be depreciated.

3130 Utilities

This includes the cost of any of the following, unless the cost of one or more of them is included in the rent:

- Heating fuel
- Water
- Gas
- Electricity
- Waste removal
- Telephone including cell phone services
- FAX

3140 Building Depreciation and Leasehold Improvements

Leasehold improvements are to be depreciated for the life of the lease. Buildings are to be depreciated at 3% for masonry and 4% for frame. No depreciation is to be taken for rental

property or land. The depreciation on buildings should be prorated among all applicable programs.

***Note: Allowable Cost Allocation Methods for Depreciation of Fixed Assets would include Actual Square Footage, Analysis of expenditures and Contracts**

3160 Property Insurance and Taxes

Report the cost of property insurance, taxes, and fire insurance. Do NOT include automobile insurance.

3190 Other Occupancy Expense (Buildings)

Any other occupancy expense that cannot be reported under the other headings in the 3100 account classifications.

***Note: Allowable Cost Allocation Methods for occupancy expense (Building) would include Actual Square Footage, Analysis of Expenditures and Contracts, and or the Medicare Cost Report Step Down.**

3200 OTHER AGENCY EXPENSES

3240 Advertising

Intended and limited to the cost of advertising for staff recruitment. Any cost associated with marketing and public relations should be reported in this column and then adjusted out in the non-allowable, adjustment column on Schedule A of the cost report.

3250 Dues, Membership, Subscriptions, and Educational Expenses.

Intended for the amount paid for bona-fide membership in other organizations, subscriptions, reference, and resource publications purchased for use by the staff of the agency for training and educational purposes.

3270 Bad Debt

Bad Debt should be reported in the total cost column and adjusted off in the Non-Allowable adjustment column.

3275 Professional/General Liability Insurance

Report the cost of protection against fraudulent, negligent, or dishonest acts by officers or employees of your organization.

3280 TRAVEL and TRANSPORTATION EXPENSES

Include mileage payments to staff. Attach documentation of mileage reimbursement rates your agency has used to justify the expense. Rentals for autos should be included here. Principal payments in the purchase of vehicles cannot be charged to this account or any other account. Vehicles should be depreciated in account 4410. Other direct costs of repairing and maintaining agency cars, including gas, oil, lubrication, tires, license and insurance which are directly related to rendering services to the residents being served by the agency.

3290 Other Miscellaneous Expense

If the total miscellaneous expense exceeds \$1000, the agency must attach a breakdown of expenses.

4400 DEPRECIATION OF FIXED ASSETS

The acceptable method of recording depreciation is the use of the straight-line method following the American Hospitalization Association (AHA) guidelines. This account may be utilized to write-off fixed assets over respective useful lives. The amount entered for depreciation on equipment and furniture must be identifiable in the accounting records of the facility and acceptable for certification.

4410 Depreciation of Agency Vehicles

Any vehicle purchases that exceed \$5,000 must be reported here.

4420 Depreciation of Office Equipment

Any office equipment purchases that exceed \$5,000 must be depreciated and reported here.

SCHEDULE B

On schedule B of the financial and statistical report, assisted living providers are expected to list all revenue by type and amount. This includes, but not limited to, Department of Social Services, State Disregard, waiver, and State pay, private pay, long-term care insurance, and other payer resources. The total revenue for each category is based on the trial balance or profit/loss statement.

SCHEDULE C

Schedule C is used to report information regarding salary and turnover information. A breakdown of position or job title, the employee name, start date, end date, hourly / salary (at the end of the cost reporting year, the amount of bonus, the total wages paid, and the number of hours worked. Total wages and bonuses must tie to the payroll records, the Profit/Loss Statement or Trial Balance, and Schedule A of the cost report.

SCHEDULE D

Schedule D of the cost report captures information about the number of residents served in the agency and the payer source.

For the Private Pay Resident report the total number of private pay days in the "Total Paid Days" column..

For the Waiver Assisted Living report total days in agency in the "Total Days in Agency" column for each month. Report total hospital days in the "Days in Hospital" column for each month. Report the days the resident is in the hospital for more than (5) consecutive days in the "Days in Excess of 5 Hospital Days" column for each month. Report the total number of days the resident is out on leave in the "Leave" column. Report the total number of days the resident is out on leave for more than (5) consecutive days in the "Leave in Excess of 5 Days" column for each month.

An example: A resident is in the Agency for the first twenty days of the month and then goes to the hospital for seven consecutive days, and then returns to the facility for the rest of the month. If the month had thirty-one days then the agency would report twenty-four days physically present, seven Hospital Days, and two excess days.

For State Pay Assisted Living the Agency report the total days in the agency in the “Days in Agency” column for each month. Report the total days the resident is in the hospital in the “Days in Hospital” column for each month. Report the total days the resident is out on leave in the “Days out on Leave” column.

SCHEDULE E

Schedule E of the cost report requires assisted living providers to report information about the types and number of days the Agency provided special services in key areas. The areas of special services include Medication Administration, Supplemental Oxygen, Self Preservation, and Therapeutic Diet.

For Medication Administration days, the assisted living center must employ or contract with a licensed nurse who reviews and documents residents conditions at least weekly. A registered nurse or registered pharmacist shall provide medication administration training pursuant to § 20:48:04:01 to unlicensed assistive personnel employed by a facility who will be administering medications. Licensed practical nurses who review resident care and condition must be in compliance with requirements for supervision pursuant to SDCL 36-9-4.

For Supplemental Oxygen days, the assisted living center must have their staff trained regarding oxygen safety, proper administration of oxygen, and must practice safe oxygen handling procedures.

For Self Preservation days, the assisted living center must meet MFPA 101 Life Safety Code, 2000 edition, health care occupancy standards in Chapter 18 and 19 or equip the facility with automatic sprinkler protection.

For Therapeutic Diet days, the resident must have a physician's order for it. The assisted living center must employ or contract with a dietitian. The dietitian shall approve written menus and diet extensions, assess the resident's nutritional status and dietary needs, plan individual diets, and provide guidance to dietary staff in areas of preparation, service, and monitoring the resident's acceptance of the diet. The frequency of dietitian visits shall be at least quarterly or sooner as determined by the resident's dietary need and the facility's ability to implement the diet correctly.

ATTESTATION PAGE

The Attestations page must be completed and signed by the agency director. Please return originals only.